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Standards for Approval of Clinics

Sec. 38a-199-1. Clinic defined

For the purposes of sections 38a-199-2 to 38a-199-6, inclusive, of these regulations a clinic is an organization which provides out-patient medical or dental care for diagnosis, treatment and care of persons with chronic or acute conditions.

(Effective September 25, 1992)

Sec. 38a-199-2. Building and equipment requirements

(a) A clinic building shall be of sound construction and shall provide adequate space and equipment for patient interviews, physical examinations and treatment of patients and for service and other areas in accordance with the requirements of the state department of health.

(b) Clinic buildings and equipment shall meet the requirements of the state fire safety code. Annual application for approval shall be accompanied by a certificate of inspection by the local fire marshal.

(c) Areas in which explosive gases or radioactive materials are used shall provide for adequate protection of patients and personnel.

(d) The clinic buildings and equipment shall be maintained in a good state of repair and shall be kept clean at all times.

(Effective September 25, 1992)

Sec. 38a-199-3. Governing board. Administrator. Personnel

(a) A clinic shall be managed by a governing board whose duties shall include, as a minimum: (1) Adoption of bylaws, rules and regulations, including medical or dental staff bylaws or both; (2) annual appointment of the medical or dental staff with annual designation of a medical or dental director; (3) appointment of a clinic administrator qualified on the basis of training and experience approved by the commissioner of health.

(b) The administrator shall be responsible to the governing board for the management and operation of the clinic and for the employment of personnel. He shall attend meetings of the governing board and meetings of the professional staff.

(c) Personnel shall be employed in sufficient numbers and of adequate qualifications so that the functions of the clinic may be performed efficiently.

(Effective September 25, 1992)

Sec. 38a-199-4. Professional staff

(a) There shall be an organized professional staff of not fewer than three members of the major profession or professions providing care in the clinic and, in a rehabilitation clinic, a staff including a medical director and physical therapist and one other major profession providing care in the clinic.

(b) The professional staff shall adopt written rules or regulations governing its own activities, subject to approval of the governing board of the clinic. As a minimum these shall include: (1) Methods of control of privileges granted to members of the medical or dental staff and the responsibilities of the medical or dental director; (2) method of professional supervision of clinical work; (3) provision for regular staff meetings; (4) preparation of adequate case records; (5) procedure for recommending appointments to the staff and for hearing complaints regarding the conduct of members, referring the same, with recommendations, to the governing board.

(Effective September 25, 1992)

Sec. 38a-199-5. Records

(a) There shall be a medical or dental records department with adequate space and equipment and qualified personnel.

(b) A medical or dental record shall be started for each patient at the time of admission, including proper identifying data. Medical and dental records shall include sufficient information to justify the diagnosis and warrant the treatment given. Each entry shall be signed by the person responsible for it.

(c) Medical and dental records shall be filed in an accessible manner in the clinic, with proper provision for their confidentiality, and shall be kept for a minimum of five years after discharge of the patient.

(Effective September 25, 1992)

Sec. 38a-199-6. General requirement for health, comfort and safety

The management, personnel, equipment, facilities, sanitation and maintenance of the clinic shall be such as reasonably to assure the health, comfort and safety of patients at all times.

(Effective September 25, 1992)

Reserve Requirements for Hospital Service Corporation

Sec. 38a-199-7. Authority

The following regulations are adopted pursuant to Section 38a-199 of the General Statutes of Connecticut as amended by Section 1 of Public Act 74-5 and, as applicable, Public Act 74-7.

(Effective September 25, 1992)

Sec. 38a-199-8. Definitions

As used in Reg. Sec. 38a-199-7 to Reg. Sec. 38a-199-13: "Ascertained Experience" means the loss and expense ratio for the most recent twelve-month period of operation, or such other period as the commissioner may deem appropriate.

"Commissioner" means the insurance commissioner.

"Contingency Reserves" and "Reserve for Contingencies" means the unassigned funds held over and above the Policy Contract Liability Reserves as defined in these regulations and all other liabilities.

"Policy Contract Liability Reserves" means the reserves held for present claims or claims in process plus the reserves held for future or deferred benefits and for unearned premiums.

All technical words and phrases and such as have acquired a peculiar and appropriate meaning in the law and in the field of insurance shall be construed and understood accordingly.

(Effective September 25, 1992)

Sec. 38a-199-9. Policy contract liability reserves

Each hospital service corporation shall maintain Policy Contract Liability Reserves at a level consistent with the following requirements:

Minimum. An amount sufficient to pay and adjust all present claims and claims in process when and as such claims become due, plus an amount sufficient to pay and adjust all future claims or deferred benefits as and when such benefits become due and to cover unearned premiums. The standards of payment and adjustment of claims when and as such become due shall be in accordance with the standards

required of insurance companies under the provisions of Section 38a-17 of the General Statutes of Connecticut, as it may from time to time be amended.

Maximum. An amount not to exceed the minimum as hereinbefore defined plus amounts computed and as approved by the commissioner to compensate for inflationary trends, projected increased costs for the future or deferred benefits, interest charges which may become due on settlement of disputed claims, and changing claim frequency in respect to future or deferred benefits.

(Effective September 25, 1992)

Sec. 38a-199-10. Contingency reserves

Each hospital service corporation shall maintain Contingency Reserves at a minimum level computed on the following basis:

The amount required by insurance companies licensed to transact accident and health insurance, under Section 38a-72 of the General Statutes as it may from time to time be amended, plus the greater of (1) an amount equal to the average monthly cost of claims and expense for the preceding twelve months or (2) an amount which bears a reasonable relation to the liabilities of such corporation.

If a corporation's reserve falls below an amount equal to Section 38a-72 plus the net loss in the previous two years, the corporation shall act to restore the reserve to at least that amount.

Permissible additions to minimum. Subject to the approval of the commissioner, in addition to such minimum Contingency Reserves, further Contingency Reserves may be accumulated by the subject corporation based upon the following factors:

(1) Stability, solvency, and interest of the corporation and the interests of the policyholders and other affected persons, including such specific objectives as rate stability, inflationary trends, deviations from the forecast of changing claim frequency, market fluctuations, and the possibility of epidemics and catastrophes;

(2) Present or projected public service pilot projects which are undertaken for the purpose of providing more and better care in the manner most economical to the subscribers;

(3) Costs of consolidations, acquisitions, or mergers as provided by law;

(4) Capital expenditures reasonably related to the general purposes of the corporation;

(5) Proposed increases in benefits without fully compensating rate increases;

(6) Projected profit or loss forecasts together with any other factors reasonably tending to justify the maintenance, increase, or decrease of any such Contingency Reserve.

Maximum. No hospital service corporation subject to these regulations shall maintain Contingency Reserves in amounts greater than the minimum as hereinabove defined, plus the permissible additions to the minimum prescribed above and provided the approval of the commissioner has been obtained prior to the reserving of the permissible additions.

Maximum limit. The maximum Contingency Reserves which may be maintained by any hospital service corporation subject to these regulations shall in no event be greater than an amount equal to 50 percent of the preceding twelve months cost of claims and expense of such corporation.

(Effective September 25, 1992)

Sec. 38a-199-11. Changes in contingency reserve levels

The commissioner may, after a hearing called at the request of any interested person admitted as a party for the purpose of any such hearing or on his own motion,

order the maintenance, increase, or decrease of any such Contingency Reserve, whether in connection with a rate change or otherwise, consistent with these regulations and other requirements, and may require such hospital service corporation to adjust its rates or benefits or both to accomplish any adjustment in such reserve.

(Effective September 25, 1992)

Sec. 38a-199-12. Standards

In permitting and approving adjustments in accordance with these regulations, the commissioner may consider the Ascertained Experience of the hospital service corporation and may use as a basis such reasonable periods of time as he may deem appropriate. The commissioner in determining the computations shall consider the interest of the subscribers and the solvency of the hospital service corporation.

(Effective September 25, 1992)

Sec. 38a-199-13. Effective date

These regulations shall take effect on filing with the secretary of the state as provided in Section 4-172 of the General Statutes.

(Effective September 25, 1992)